
CAPITAL FINANCING

PROGRAM DESCRIPTION

Concurrent with the 1986 bond referendum described in the debt service cost center, the Durham County Board of Commissioners established a capital financing plan for the purpose of funding all major capital projects taken by the County. Revenues dedicated to the capital financing plan by the Board of Commissioners are listed below with estimates for the upcoming fiscal year. In addition to debt service on general obligation bonds these monies will be spent to retire debt associated with certificates of participation, as well as to fund pay-as-you-go (County contribution) projects. Effective July 1, 1990, up to twenty (20%) percent of the fund's proceeds (computation limited to the first five cents of property taxes) could be dedicated to financing capital projects funded on a pay-as-you-go basis. The percentage dedicated to pay-as-you-go is four and five tenths percent (4.5%) for FY 2003-2004, in an effort to fund capital facility improvements. The long-range capital financing plan and related policies are below.

Dedicated Revenue	2003-2004
Property Taxes (7.20 cents)	\$13,765,336
Prior Year Property Taxes	\$300,000
½ Cents Sales Taxes	\$14,645,200
Hotel Occupancy Taxes	\$2,453,446
State Reimbursements	\$0
Interest Earnings	\$140,019
Fund Balance	\$0
Total Resources	\$31,304,001

Proposed Expenditures	2003-2004
Transfer to debt service	\$30,491,501
County contribution	\$812,500
Total Expenditures	\$31,304,001

For FY 2003-2004, the portion of the countywide tax rate dedicated to the Capital Financing Plan is increased from 6.2 cents to 7.20 cents. This increase is due to additional debt service related to the American Tobacco project slated to start in FY 2003-04, as well as short term financing for replacement of 2/3rds of county computers and Finance/HR/Budgeting software.